

**IOWA AGRICULTURAL
DEVELOPMENT DIVISION**

IADD BOARD MEETING MINUTES

**Iowa Finance Authority
2015 Grand Avenue, Des Moines, Iowa
February 21, 2014**

Board Members Present

Mark Leonard, Chair	John Fredrickson
Lyle Borg, Vice Chair	Annette Townsley
Stacie Euken	

Board Members Absent

None

Staff Members Present

Lori Beary, Community Development Director	Tim Jansen, Accounting Manager
Steve Ferguson, IADD Program Specialist	Tammy Nebola, IADD Program Specialist
Cindy Harris, CFO	

Others Present

Dave Claypool

Call to Order

IADD Board Chair Leonard requested the meeting be chaired by the Vice Chair, Mr. Borg, because Mr. Leonard was traveling and calling on his cell phone. The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Vice Chair Borg on February 21, 2014 at 8:32 am. Roll call was taken and a quorum was established with the following Board Members present: Leonard, Borg, Euken, Fredrickson and Townsley. All Board members participated via conference call.

Review of Minutes of January 22, 2014 Board Meeting

Mr. Borg presented the minutes of the January 22, 2014 IADD Board Meeting.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson the Board unanimously approved the minutes of the January 21, 2014 IADD Board meeting.

Review of January 2014 financial statement

Tim Jansen presented the January 2014 financials. He said that the year-to-date operating income is \$254,006, year-to-date operating expense is \$235,644 and year-to-date net operating income is \$18,362. Mr. Jansen discussed the specifics of the income and expenses to date.

Mr. Leonard asked how we were notified of any changes to existing BFTC leases and whether we received any fees for those changes. Steve Ferguson explained that there is a form that is supposed to be filled out with a \$100 fee if there are changes to a BFTC lease.

It was decided that information be sent to all our BFTC landlords explaining the process and reminding them to submit the "Request to Adjust Lease Terms or Conditions" form along with the fee if there are changes to the terms of the original lease. We will email the information to all those with email addresses and mail to those without email addresses.

Ms. Townsley noted that currently 30% of IADD assets are on mission and asked what the appropriate percentage should be. Mr. Jansen explained that the goal of most IFA programs is to have between 70-80% of assets on mission.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Leonard, the Board unanimously approved the January 2014 financial statement as presented.

BFLP Amending Resolutions

Tammy Nebola presented the following resolutions to adjust terms and conditions on closed BFLP projects:

Resolution 3418M – Brian Kessel – American State Bank in Lamoni is the lender. The amendment will lower the interest rate from 5.50% variable to 5.25% fixed until new maturity date of December 15, 2023. With the rate decrease and the extended maturity, the annual payment will be reduced from \$20,856.45 to \$13,054.06 beginning on December 15, 2014. All other loan terms will remain the same.

Resolution 4049M – Mitchel Godes – First Trust & Bank in Grand Mound is the new lender. The amendment will change the lender from Clinton National Bank to First Trust & Savings Bank. The amendment will also lower the interest rate from 5.625% to 3.50% until March 1, 2019 at which time the rate will adjust to the index of 80% of First Trust & Savings Bank's base real estate rate, adjustable every five years. Due to the rate decrease and the earlier maturity date of March 1, 2029, the annual payment amount will decrease from \$3,169.36 to \$3,072.74 beginning on March 1, 2015.

MOTION

On a motion by Ms. Townsley and a second by Ms. Euken, the Board unanimously accepted the BFLP amending resolutions.

Beginning Farmer Loan Applications

Tammy Nebola introduced the following applications for a Beginning Farmer loan:

AG 14-002 - Kenneth and Kathryn Waechter – Beginning farmer loan of \$509,600 to purchase approximately 72.54 acres of agricultural land in Clinton County. The loan will have a variable interest rate of 3.50% and a loan length of 40 years. The index will be 80% of First Trust & Savings Bank's real estate base rate adjusted every 5 years. The lender is First Trust & Savings Bank in Grand Mound, IA.

AG 14-003-I- Sheryl Lyn Penning - Beginning farmer loan of \$500,000 to purchase approximately 67 acres of agricultural land in O'Brien County. The loan will have a fixed interest rate of 4.50% and a loan length of 25 years. The contract sellers are William and Nancy Penning of Granville, IA.

AG 14-004- Joel Hustedt - Beginning farmer loan of \$250,000 to purchase approximately 26 acres of agricultural land in Sac County. The loan will have a fixed interest rate of 4.10% and a loan length of 5 years. The lender is United Bank of Iowa in Galva, IA.

AG 14-005- Cale Gilman - Beginning farmer loan of \$67,500 to purchase machinery and 10 bred heifers in Adair County. The loan will have a fixed interest rate of 4.20% and a loan length of 5 years. The lender is First State Bank in Stuart, IA.

AG 14-006- Robert Trumm - Beginning farmer loan of \$71,500 to purchase approximately 22 acres of agricultural land in Jones County. The loan will have a variable interest rate of 3.50% and a loan length of 30 years. The index will be 0.5% above the Wall Street Prime, adjusted every 5 years. The lender is Ohnward Bank & Trust in Cascade, IA.

AG 14-007- Nathan and Chelsea Ramsey - Beginning farmer loan of \$129,575 to purchase approximately 73 acres of agricultural land in Adams County. The loan will have a variable interest rate of 4% and a loan length of 30 years. The index will be 1.5% below the Okey Vernon First National Bank Ag/Commercial Real Estate Base, adjusted every 10 years. The lender is Okey Vernon First National Bank in Corning, IA.

AG 14-008- Adam Cameron - Beginning farmer loan of \$145,000 to purchase approximately 81 acres of agricultural land in Woodbury County. The loan will have a variable interest rate of 3.50% and a loan length of 10 years. The index will be .25% above the Wall Street Prime adjusted every 5 years with a 2% adjustment cap at each adjustment date. The lender is Valley Bank & Trust in Mapleton, IA.

MOTION

Ms. Townsley made a motion to approve Beginning Farmer Loan Applications AG 14-003-I, AG 14-004, AG 14-005, AG 14-006, and AG 14-007. She moved the approval of AG 14-002 and AG 14-008 subject to receipt of the additional information requested. Ms. Euker seconded the motion and the motion was adopted.

Public Hearing on Beginning Farmer Loans

A public hearing was held by the IADD Board at the Iowa Finance Authority office on February 21, 2014 at 9:00am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:01am.

MOTION

On a motion by Mr. Leonard and seconded by Mr. Fredrickson, the Board unanimously recommended approval of the BFLP Bond documents.

Beginning Farmer Tax Credit Applications

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 41 new BFTC applications for an estimated tax credit amount of \$292,008. With tax credits approved previously and these tax credits, \$3,960,375 in tax credits have been allocated so far in 2014.

Mr. Borg asked about Project Number 1455 because the amount of the tax credit is so small. Mr. Ferguson clarified that the beginning farmer is renting pasture land.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications 1410, 1411, 1412, 1422, and 1426 through 1462.

Review of 2013 Tax Credit Certificates

Steve Ferguson discussed a summary sheet of the Tax Credit Certificates mailed out in January.

Marketing Update

Included in the Board packet was the IADD marketing calendar and the 2013 Annual Report that was sent to the Legislature. Steve Ferguson discussed the upcoming events.

Update on Program to Provide Interim Funding

Lori Beary gave a brief update on the interim financing program. Staff has had additional conversations with FSA, bankers and the staff in South Dakota who administer their interim financing program. We will have an outline for an interim financing program for discussion at the March Board meeting.

Mr. Leonard discussed a possible use for an interim financing program for an SBA client he has.

Other Business

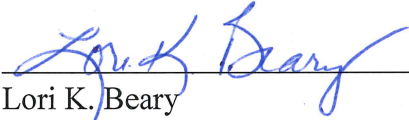
The next IADD Board meeting will be on Wednesday, March 26, 2014 at 9:30 a.m. at the Iowa Finance Authority office.

Adjournment

There being no further business, on a motion by Mr. Fredrickson and a second by Ms. Townsley, the February 21, 2014 meeting of the IADD Board of Directors adjourned at 9:30am.

Dated this 26th day of March 2014.

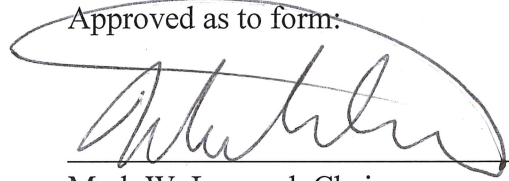
Respectfully submitted:



Lori K. Beary

Director's Designee/Board Secretary

Approved as to form:



Mark W. Leonard, Chair

IADD Board